

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

IN THE MATTER OF THE APPLICATION)	
OF MALLARD POINT DISPOSAL SYSTEMS,)	
INC., FOR AN ORDER PURSUANT TO)	
CHAPTER 278 OF THE KENTUCKY REVISED)	
STATUTES FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AND FOR)	CASE NO. 9517
AN ORDER APPROVING UNIFORM RATES)	
FOR A WASTE WATER TREATMENT SYSTEM)	
TO SERVE THE RESIDENTS OF MALLARD)	
POINT SUBDIVISION, SCOTT COUNTY,)	
KENTUCKY)	

I N T E R I M O R D E R

Mallard Point Disposal Systems, Inc., ("Mallard Point Disposal") by its application filed March 25, 1986, is seeking a certificate of public convenience and necessity for a proposed \$229,000 sewage system project, approval of its financing for the project and the establishment of initial rates for the sewage collection and disposal service that will be provided to residents of the Mallard Point Subdivision.

Financing of the proposed construction will be by the Mallard Point Subdivision developer - Maric Development Corporation. The developer is anticipating the recovery of about \$153,000 of the financing through the selling price of subdivision lots; about \$76,000 will be recovered from Mallard Point Disposal through a 48-month lease/purchase agreement.

The application in this matter is the first such application submitted by Mallard Point Disposal. Sewage disposal services will be initiated upon completion of its proposed construction. No utility services are being provided by Mallard Point Disposal at this time.

The Mallard Point Subdivision is located about 7.5 miles north of Georgetown and on the west side of US 25. Because of rolling topography, the sewage collection system has been designed and will be operated as a low-pressure system.

Rate-making comparisons between residential and non-residential sewage loading will be based on a design load of 300 gallons per day ("GPD") per single family residence. This load is 100 GPD less than for a gravity system that is subject to a higher rate of infiltration than a pressure system.

The Application in this matter included a "Motion For Expedited Review and Issuance of Interim Construction Order". The Commission, in its response to this matter, has considered all aspects of the motion, the original application, the amended application and the need for residential development in the Georgetown area. After considering the matter and being advised, the Commission is of the opinion and finds that:

1. An Interim Order for construction should be granted in response to Mallard Point Disposal's motion for such an Order. Further, the rates proposed for sewage collection and disposal services should be addressed by separate Order after the entire matter has been duly considered.

2. Public Convenience and Necessity require that the construction proposed in the application and record be performed and that a certificate of public convenience and necessity be granted.

3. The proposed construction includes a low-pressure sewage collection system and a 50,000 GPD sewage treatment plant. These facilities will serve the initial phase of development of the Mallard Point Subdivision which includes 154 single family residential lots and 5 acres of commercial development.

4. Any deviations from the construction herein approved which could adversely affect service to any customer should be done only with the prior approval of the Commission.

5. Mallard Point Disposal should furnish duly verified documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Said construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Sewage Utilities prescribed by the Commission.

6. Mallard Point Disposal's contract with its Engineer should require the provision of full-time resident inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering to insure that the construction work is done in accordance with the contract plans and specifications and in conformance with the best practices of the construction trades involved in the project.

7. Mallard Point Disposal should require the Engineer to furnish a copy of the "as-built" drawings and a signed statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the date of substantial completion of this construction.

8. The financing plan proposed by Mallard Point Disposal is for lawful objects within its corporate purposes, is necessary and appropriate for and consistent with the proper performance of services to the public and will not impair its ability to perform these services, is reasonably necessary and appropriate for such purposes and should, therefore, be approved.

IT IS THEREFORE ORDERED that:


1. Mallard Point Disposal be and it hereby is granted a certificate of public convenience and necessity to proceed with the proposed construction as set forth in the plans and specifications of record herein.

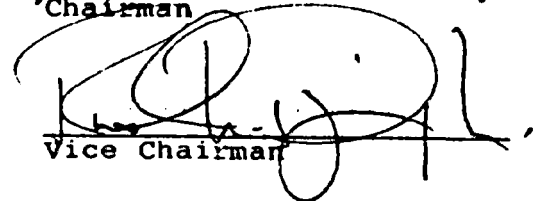
2. Mallard Point Disposal's plan of financing including contributions in aid of construction of about \$153,000 and a 48-month lease/purchase agreement in the amount of \$76,000 be and it hereby is approved.

3. The rates proposed by Mallard Point Disposal will be addressed by separate Order in this matter.

Done at Frankfort, Kentucky, this 14th day of May, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary